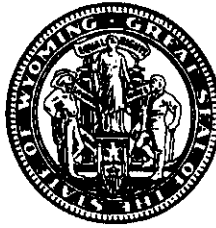


**WYOMING  
DEPARTMENT OF EDUCATION**

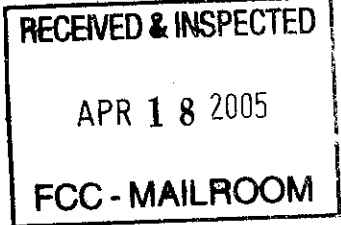


**DOCKET FILE COPY ORIGINAL**  
**TRENT BLANKENSHIP, ED.D.**  
**SUPERINTENDENT OF PUBLIC INSTRUCTION**

HATHAWAY BUILDING, SECOND FLOOR • 2300 CAPITOL AVENUE • CHEYENNE, WY 82002-0050  
PHONE 307-777-7673 FAX 307-777-6234 WEBSITE [www.k12.wy.us](http://www.k12.wy.us)

April 15, 2005

Request for Review  
Federal Communications Commission  
Office of the Secretary  
9300 East Hampton Drive  
Capitol Heights, MD 20743



**A. cc Docket No. 02-6**

Universal Service Administrative Company  
Administrator's Decision on Appeal- Funding Year 2003-2004  
February 24, 2005  
Applicant: State of Wyoming, Department of Administration and Information  
Form 471 Application Number: 338550  
Billed Entity Number: 154794

**B. Contact Information**

Clementina Jimenez  
Wyoming Department of Education  
Hathaway Building, Second Floor  
2300 Capitol Avenue  
Cheyenne, WY 82002  
(307) 777-3469 (voice)  
(307) 777-6234 (fax)  
[cjimen@educ.state.wy.us](mailto:cjimen@educ.state.wy.us)

**REQUEST FOR REVIEW.**

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**C. Funding Request Numbers That Are Subject of Appeal**

1012558	964583	973915	976950	977882	982550
1012574	964646	973926	977002	977892	
1012645	964656	973968	977006	977897	
1012658	964671	973983	977019	977927	
1012678	964681	974053	977029	977942	
960034	964687	974060	977080	977950	
961534	964714	974079	977088	977988	
961542	964721	974086	977139	978113	
963852	964733	974116	977178	978133	
963902	964739	974129	977188	978179	
963912	965498	974138	977199	978184	
963926	965579	974176	977241	978189	
963930	965590	974216	977332	978195	
963967	972688	974232	977339	978234	
963973	972694	974249	977350	978242	
964042	972707	974298	977364	978256	
964060	972720	974310	977416	978274	
964223	972730	974321	977442	978362	
964231	972783	974392	977462	978332	
964246	972790	974402	977510	978343	
964254	972803	976156	977526	978359	
964289	972814	976163	977532	978412	
964302	972845	976192	977561	978424	
964312	972858	976202	977568	978444	
964325	972862	976209	977582	978453	
964374	972895	976255	977590	978494	
964381	972902	976263	977627	978507	
964388	972915	976268	977637	978525	
964404	972920	976278	977642	978540	
964413	972948	976286	977712	978578	
964444	973797	976314	977722	978587	
964457	973809	976322	977775	978598	
964463	973831	976337	977783	978616	
964505	973840	976831	977807	978624	
964512	973884	976892	977812	978652	
964578	973893	976944	977867	978660	

**D. Explanation for Request for Review**

On February 24, 2005, we received a decision letter from the Universal Service Administrative Company (USAC) regarding our Funding Year 2003-2004 appeal. The letter titled “Administrator’s Decision on Appeal – Funding Year 2003-2004” denied our appeal to the

Schools and Libraries Division (SLD). We believe that our attempt to comply with both state and federal guidance may have not only caused confusion but resulted in the denial of our E-rate request.

Simply stated Wyoming's State Supreme Court directed the Governor and the Wyoming Department of Education (WDE) to establish a statewide network that would insure "equal opportunity for a proper education" for every student in Wyoming. This decision emphasized that compatibility with the existing systems and in turn functionality was the primary necessity. Ultimately this resulted in functionality "weighted" highest in our criteria calculation. When dealing with state education issues the US Constitution requires us to follow state directives first then comply with federal directives, this of course is the reason cost was "weighted" second in our criteria. By following these directives we believe we were able, to comply with both directives when choosing Qwest, formally known as US West. At this time we would like to ask the Federal Communications Commission (FCC) to review this decision based on the following information, supporting that Qwest was both the lowest cost option and the most compatible and capable choice for our state.

The State of Wyoming requests a FCC review of the SDL's denial of funding for the above referenced Funding Request Numbers based on the following language appearing in the Funding Commitment Report for each number:

Funding Commitment Decision: \$0.00 – Bidding Violation

Funding Commitment Decision Explanation: Documentation provided demonstrates that price was not the primary factor in selecting this service provider's proposal.

The request for funds intends to provide support for each school district's use of the Wyoming Equality Network (WEN). The WEN is a statewide, high-speed data and video network that connects all Wyoming public schools. Some background on the genesis of the WEN may be of assistance.

The development of the WEN arose as a result of the Wyoming Supreme Court's decision in *Campbell Co. School District v. Wyoming*, 907 P.2d 1238 (Wyo. 1995), which found that, *inter alia*, the Wyoming Constitution requires an "equal opportunity for a proper education" for the children of the state. 907 P.2d at 1278. To address this mandate, the Wyoming State Legislature in 1997 enacted legislation which requires the State Superintendent of Public Instruction to cooperate with interested parties to develop and implement a statewide education technology plan, (1997 Session Laws of Wyoming, Chapter 65, Section 1 W.S. § 21-2-202(a) (xx)). Furthermore the Legislature directed the Governor and State Superintendent to establish a committee to prepare a request for proposals for a statewide network allowing for data transmission in every school building and two-way video capability to the high schools (1997 Session Laws of Wyoming, Chapter 80, Section 1).

In compliance with the Legislative directives, on April 3, 1998, Wyoming Governor Jim Geringer and State Superintendent of Public Instruction Judy Catchpole signed the Master Agreement for Technology in Education with US West, now Qwest Communications. The Agreement provided for “services to be furnished by [US West] to provide telecommunications capabilities to schools and related entities for the creation of a telecommunications network within the state of Wyoming.” The term of the contract ran from July 1, 1998, through June 20, 2003. A subsequent amendment to the contract allowed for the term to be extended for up to an additional 36 months provided that Qwest met certain milestones related to upgrading communication capabilities in designated parts of Wyoming. In 2001, the Qwest contract was extended until June 30, 2006.

The State of Wyoming looks to the FCC 99-216 decision as supporting documentation for this appeal. (FCC 99-216 document attached)

In the FCC 99-216, Integrated Systems & Internet Solutions Inc (ISIS 2000) claimed that the State of Tennessee did not comply with the Federal Communications Commission’s (FCC) competitive bid requirements found in section 54.504 and 54.511 of the FCC rules. (47 C.F.R. § 54.504 (a) and 54.511) Section 54.511 states that “schools shall carefully consider all bids submitted and may consider relevant factors other than the pre-discounted prices submitted by providers.”

ISIS 2000 claimed that the State of Tennessee awarded a contract to ENA in violation of the FCC rules stating that “pricing must be the ‘primary factor’ when awarding service contracts.” ISIS 2000 continued its claim by showing that ENA was given more points than it was in the pricing section of the response evaluation, showing that ENA was not the lowest bid.

After careful review the FCC dismissed ISIS 2000’s claim by stating that the State of Tennessee awarded ENA the contract by taking “service quality into account and choose the offering...that meets their needs ‘most effectively and efficiently.’” In short the State of Tennessee chose the most cost effective bid.

#### *State of Wyoming’s Documentation*

The Technology in Education Project Request for Proposal (RFP) was developed, distributed, and awarded according to State Statutory Regulations. (Please see attached State Regulations) The RFP established evaluation criteria based on the quality of services necessary to implement the state mandate. The RFP’s evaluation criteria were weighted with a percentage: functionality 30%, pricing 20%, vendor support 20%, vendor qualifications 15%, and project plan 15%.

Functionality was given the highest percentage due to the strict mandate of the Wyoming Supreme Court and Wyoming Legislature. In order to meet this mandate, it was necessary to find a service provider with the capability of providing telecommunication services to all entities over a large and very diverse geographic area. The statewide data and two-way video conferencing connections also had to be compatible with the existing technologies and facilities so operation and maintenance on a state level were more cost effective.

Pricing, though not weighted as high as functionality, was still a primary factor in awarding the contract. Although the creation of the WEN was a state mandate, the awarding of a contract was dependent on legislative funding. The costing structure had to provide information regarding one-time cost, recurring costs, as well as a cost structure of a possible contract extension until 2006. Evaluators were asked to review the cost structure with the public's and state's best interest in mind.

Each respondent, (TCI, TAMSCO Research & Management Systems LLC, and US West), were evaluated using these criteria by a seven (7) member team. Each team member "scored" the responses on an individual and team level. The RFP review team presented the combined scores to the Wyoming Governor and the Superintendent of Public Instruction recommending that US West, now Qwest Communications, be awarded the contract.

The evaluation team's recommendation was based on Qwest's ability to provide services to all the entities in the state, as well as providing a cost structure, that was \$1.8 million less than the other responses. The evaluators found that Qwest Communications was able to provide these services by subcontracting with independent telecommunication service providers throughout the state, while still providing the state with the lowest bid.

Furthermore, the contract under which Qwest provides services for the WEN has been properly executed in compliance with state law. The only proper avenue for terminating the WEN contract is through non-appropriation of funding by the state legislature. Preemption of state laws is expressly forbidden in the FCC rules. 47 CFR § 54.504(a). Furthermore, the FCC rules allow for long term contracts such as the WEN. 47 CFR § 507(e).

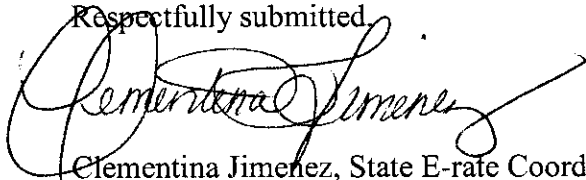
You will find supporting documentation attached to this letter of appeal. The documentation provided supports the decision of selecting Qwest, with strong evidence that Qwest was awarded the contract because of functionality and because they were the most cost-effective to the state. The documentation will also show the state's attempt to comply with the requirements established by the Schools and Libraries Division staff for acquiring E-Rate funding for WEN services.

Request for Review  
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April 15, 2005  
Page 6

The fact that the State of Wyoming accepted the lowest bid should render the basis for the funding denial irrelevant. The State's decision to consider other factors in awarding the bid is supported by the cited FCC decision and the FCC's rules.

Based on the foregoing, the State of Wyoming requests the Federal Communications Commission to reconsider the Schools and Libraries Division funding decision for the FRNs listed and award funding for those requests.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Clementina Jimenez", written over a horizontal line.

Clementina Jimenez, State E-rate Coordinator  
Wyoming Department of Education

Attachments:

1. FCC 99-216 partial document
2. "A Vendor's guide: How to do Business with The State of Wyoming" partial document
3. Evaluation Criteria and Scoring RFP-0409D document
4. Response combined score sheet
5. Individual scoring sheets
6. Copy of costing structure for each respondent
7. Letter of recommendation to Governor Jim Geringer

FCC 99-216 Partial Document

“A Vendor’s Guide: How to do Business  
with the State of Wyoming” Partial  
Document

Evaluation Criteria and Scoring RFP-  
0409D Document

Request for Review  
Federal Communication  
Commission  
Office of the Secretary

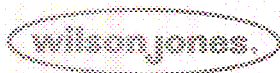
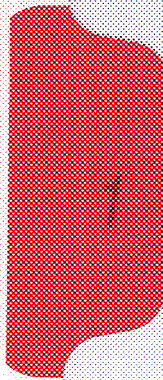
Supporting Documents

Response Combined Score Sheet

Individual Scoring Sheet

Copy of Costing Structure for Each  
Respondent

Letter of Recommendation to Governor  
Jim Geringer



[www.wilsonjones.com](http://www.wilsonjones.com)

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of	)	
Request for Review by	)	
the Department of Education of the	)	Application No. 18132
State of Tennessee of the Decision of	)	
the Universal Service Administrator	)	
	)	
Request for Review by	)	
Integrated Systems and Internet Solutions, Inc.	)	
of the Decision of	)	
the Universal Service Administrator	)	
	)	
Request for Review by	)	
Education Networks of America	)	
of the Decision of	)	
the Universal Service Administrator	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Changes to the Board of Directors	)	
of the National Exchange Carrier	)	CC Docket No. 97-21
Association, Inc.	)	

**ORDER**

Adopted: August 11, 1999

Released: August 11, 1999

By the Commission: Commissioner Furchtgott-Roth approving in part, concurring in part, and dissenting in part, and issuing a statement at a later date.

**I. INTRODUCTION**

1. By this Order, we grant in part and deny in part the requests for review filed by the Department of Education of the State of Tennessee (Tennessee) and Education Networks of America (ENA). As explained more fully below, we find that Tennessee may receive discounts on Internet access service provided by ENA, but may not receive discounts on charges by ENA to Tennessee related to components of the ConnecTEN network it previously owned, but sold to ENA. We also deny the request for review filed by Integrated Systems and Internet Solutions, Inc. (ISIS 2000) and dismiss as moot its Objection to Application/Request for Expedited

Declaratory Ruling filed April 3, 1998.<sup>1</sup> As described below, we find that, contrary to ISIS 2000's claim, Tennessee complied with our competitive bidding requirements.

## II. BACKGROUND

2. Section 254(h)(1)(B) of the Communications Act of 1934, as amended, requires:

[a]ll telecommunications carriers . . . upon a bona fide request for any of its services that are within the definition of universal service under subsection (c)(2), [to] provide such services to elementary schools, secondary schools, and libraries for educational purposes at rates less than the amounts charged for similar services to other parties.<sup>2</sup>

Section 254(c)(3) states that, in addition to services designated as eligible for universal service support generally, the Commission "may designate additional services for such support mechanisms for schools . . . for the purposes of subsection (h)."<sup>3</sup> In light of these provisions, the Commission concluded that the definition of universal service for schools and libraries includes telecommunications services, internet access and internal connections ("eligible services").<sup>4</sup>

3. Schools may receive discounted telecommunications services only from telecommunications carriers, but may receive discounted Internet access services and internal connections even from non-telecommunications providers.<sup>5</sup> In order to receive discounts on eligible services, schools must file certain information with the administrator of the universal service support mechanisms, the Universal Service Administrative Company (USAC or Administrator).<sup>6</sup> Specifically, the school must file an application with the Administrator that,

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<sup>1</sup> We note that, in submitting reply comments to ISIS 2000's request for review, ENA filed, in the alternative, a motion to accept late-filed pleadings. We see no need to grant the motion because ENA filed within the requisite time period.

<sup>2</sup> 47 U.S.C. § 254(h)(1)(B).

<sup>3</sup> 47 U.S.C. § 254(c)(3).

<sup>4</sup> *Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd 8776, 9002 at para. 425 (1997) (*Universal Service Order*), as corrected by *Errata*, CC Docket No. 96-45 (rel. June 4, 1997), *affirmed in pertinent part*, *Texas Office of Pub. Util. Counsel v. FCC*, 1999 WL 556461 (5th Cir. 1999).

<sup>5</sup> *Universal Service Order*, 12 FCC Rcd 8776, 9002 at para. 425 and 9084-9089 at paras. 589-600.

<sup>6</sup> Prior to January 1, 1999, the Schools and Libraries Corporation (SLC) was responsible for administering the schools and libraries universal service support mechanism. On January 1, 1999, the SLC merged into the USAC, and USAC became the Universal Service Administrator for the schools and libraries universal service support mechanism. See *Changes to the Board of Directors of the National Exchange Carrier Association, Inc.* (CC Docket

*inter alia*, sets forth the school's technological needs and the services for which discounts are sought (Form 470). The school must generally use the Form 470 application as the basis for seeking competitive bids on the services for which discounts are sought.<sup>7</sup> Once the school has signed a contract for the eligible services, it must notify the Administrator of the signed contract, as well as of the estimate of funds needed to cover the discounts to be given those services that qualify as eligible services. Notification is accomplished by filing the Form 471 application. The Administrator then determines the amount of discounts for which the school is eligible.

4. Consistent with these requirements, Tennessee submitted its Form 470 application to the Administrator for receipt of competitive bids, and announced its intent to award the contract for Internet access service to ENA on March 20, 1998. ISIS 2000 also bid on Tennessee's request for Internet access service without success. Subsequent to the contract award, but prior to the time Tennessee filed its Form 471 application with the Administrator, ISIS 2000 filed an objection with the Commission and the Administrator.<sup>8</sup> At the same time, ISIS 2000 also availed itself of Tennessee's comprehensive bid protest process.<sup>9</sup> After the administrative review part of the Tennessee bid protest process was completed, and ISIS 2000's bid protest was denied,<sup>10</sup> Tennessee filed its Form 471 application with the Administrator. On February 26, 1999, the Administrator notified Tennessee that it would not receive support it requested from the schools and libraries universal service support mechanism for discounts on Internet access service.<sup>11</sup> On March 29, 1999, Tennessee, ENA, and ISIS 2000 requested Commission review of the

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No. 97-21), *Federal-State Joint Board on Universal Service* (CC Docket 96-45), Third Report and Order and Fourth Order on Reconsideration in CC Docket No. 97-21 and Eighth Order on Reconsideration in CC Docket No. 96-45, 13 FCC Rcd 25058 (1998). Upon the merger of the SLC into USAC, SLC became the Schools and Libraries Division (SLD) of USAC.

<sup>7</sup> See 47 C.F.R. §§ 54.504 and 54.511. Pre-existing contracts, as defined by our rules, are exempt from the competitive bidding requirements. See 47 C.F.R. § 54.511(c).

<sup>8</sup> See Appendix A for a complete chronology of the numerous filings by the parties requesting review of the Administrator's decision. We will include those pleadings in this record. Appendix A also contains the short form names by which we will refer to the pleadings discussed herein.

<sup>9</sup> See ISIS 2000 1998 Reply to Consolidated Response at Attachment A. See also Letter from Kenneth J. Krisko, Wiley, Rein & Fielding, to Magalie Roman Salas, Secretary, Federal Communications Commission, dated June 25, 1999 (*June 25th Ex Parte Letter*).

<sup>10</sup> We note that ISIS 2000 had a right to pursue its complaint in state court, but we have no evidence that it did so. See Tennessee 1998 Opposition at 5 and Attachment I.

<sup>11</sup> See Letter from Debra M. Kriete, General Counsel, Schools and Libraries Division, Universal Service Administrative Company to William K. Coulter, Coudert Brothers, Jeffrey S. Linder, Wiley, Rein & Fielding, and Ramsey L. Woodworth, Wilkes, Artis, Hedrick & Lane, dated February 26, 1999 (Administrator's Decision Letter).

Administrator's decision.<sup>12</sup> These requests for review are the subject of this decision.

### III. DISCUSSION

#### A. Compliance with the Commission's Competitive Bid Requirements

##### 1. Administrator's Decision

5. ISIS 2000 generally complained before the Administrator that Tennessee failed to comply with the Commission's competitive bid requirements found in sections 54.504 and 54.511 of the Commission's rules.<sup>13</sup> With regard to this specific issue, ISIS 2000 essentially took issue with the fact that Tennessee, in its consideration of the cost factor, awarded more bid points to ENA's bid even though ENA's total, initial bid was greater than ISIS 2000's bid. The Administrator determined that it would "defer to the state and local competitive bid procurement review procedures and findings."<sup>14</sup> ISIS 2000 seeks review of this aspect of the Administrator's decision.

##### 2. Discussion

6. For the reasons discussed below, we conclude that, contrary to ISIS 2000's argument and consistent with the Administrator's finding, Tennessee did comply with the Commission's competitive bid requirements. In particular, we find that Tennessee adequately considered price, as well as other factors, in determining the most cost-effective bid. Therefore, we deny ISIS 2000's request for review with respect to the Administrator's determination on this issue.

7. As ISIS 2000 correctly notes, the Commission's rules generally require schools to seek competitive bids on the services for which they seek a discount.<sup>15</sup> In addition, section 54.511 states that schools shall "carefully consider all bids submitted and may consider relevant factors other than the pre-discount prices submitted by providers."<sup>16</sup> The Commission explained its competitive bid requirements by stating that it concurred with the Joint Board's recommendation that the Commission permit schools "'maximum flexibility' to take service quality into account

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<sup>12</sup> Tennessee Request for Review, ENA Request for Review, and ISIS 2000 Request for Review (filed March 29, 1999).

<sup>13</sup> 47 C.F.R. §§ 54.504(a) and 54.511.

<sup>14</sup> Administrator's Decision Letter at 2.

<sup>15</sup> 47 C.F.R. § 54.504.

<sup>16</sup> 47 C.F.R. § 54.511.

and to choose the offering . . . that meets their needs 'most effectively and efficiently,'" but noted that price should be the "primary factor" in selecting a bid.<sup>17</sup> Indeed, in discussing the competitive bid requirements specifically with regard to Internet access, the Commission noted that the Joint Board recommended that "the Commission require schools and libraries [only] to select the most cost-effective supplier of access."<sup>18</sup> Moreover, the Commission specifically stated in this regard that other factors, such as "prior experience, personnel qualifications, including technical excellence, and management capability, including schedule compliance," form a "reasonable basis on which to evaluate whether an offering is cost-effective."<sup>19</sup> The Commission later reaffirmed its position that "schools . . . are not required to select the lowest bids offered, although the Commission stated that price should be the 'primary factor.'<sup>20</sup>

8. In its request for review, ISIS 2000 argues that our rules require that "[b]efore non-cost factors may even be considered, section 54.504 requires the objective consideration of pre-discount price."<sup>21</sup> Although we are not certain that the order in which factors are considered is important, we disagree with ISIS 2000 to the extent that it is suggesting that the Commission intended its statement that "price should be the primary factor in selecting a bid" to mean that price should be the initial determining factor considered to the exclusion of other factors. Price cannot be properly evaluated without consideration of what is being offered. Interpreting the Commission's competitive bid rules as requiring schools to select the lowest bid with little regard for the quality of services necessary to achieve technology goals would obviate the "maximum flexibility" the Commission expressly afforded schools.<sup>22</sup> That was not the Commission's intention.

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<sup>17</sup> *Universal Service Order*, 12 FCC Rcd at 9029, para. 481.

<sup>18</sup> *Universal Service Order*, 12 FCC Rcd at 9029, para. 481.

<sup>19</sup> *Universal Service Order*, 12 FCC Rcd at 9030, para. 481.

<sup>20</sup> *Federal State Joint Board on Universal Service* (CC Docket No. 96-45); *Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, End User Common Line Charge* (CC Docket Nos. 96-262, 94-1, 91-213, 95-72), *Fourth Order on Reconsideration* in CC Docket No. 96-45, Report and Order in CC Docket Nos. 96-45, 96-262, 94-1, 91-213, 95-72, 13 FCC Rcd 5318, 5429 at para. 192 (1997) (*Fourth Reconsideration Order*).

<sup>21</sup> ISIS 2000 Request for Review at 8.

<sup>22</sup> We note, moreover, that requiring schools to evaluate price first may lead to a conflict with state and/or local government procurement laws, rules, or practices. Indeed, Tennessee procurement laws and rules require cost proposals to be opened only after evaluation of the non-cost sections of the proposals have been completed. See Tenn. Code Ann. section 12-4-109(a)(1)(A)(iii); see also Tennessee Opposition at 8. As section 54.504 states, "[the Commission's] competitive bid requirements apply in addition to state and local competitive bid requirements and are not intended to preempt such state or local requirements." 47 C.F.R. § 54.504.

9. In light of ISIS 2000's complaint here, we take this opportunity to provide useful guidance with regard to our competitive bid requirements and factors that may be considered in evaluating competitive bids for purposes of our rules. As stated above, we concurred with the Joint Board's recommendation that schools involved in the competitive bid process be allowed to "take service quality into account and to choose the offering . . . that meets their needs 'most effectively and efficiently.'" Indeed, just after we stated that price should be the primary factor in selecting a bid, we continued the discussion by focusing on cost-effectiveness.<sup>23</sup> In addition, we specifically listed factors other than price, such as technical excellence, that could "form a basis on which to evaluate whether an offering is cost-effective." The paragraph on this issue in the *Universal Service Order* should be read as a whole to say that a school should have the flexibility to select different levels of service, to the extent such flexibility is consistent with that school's technology plan and ability to pay for such services, but, when selecting among comparable services, a school should be guided by price in its selection. Even among bids for comparable services, however, this does not mean that the lowest bid must be selected. Price, however, should be carefully considered at this point to ensure that any considerations between price and technical excellence (or other factors) are reasonable.

10. We expect that we can generally rely on local and/or state procurement processes that include a competitive bid requirement as a means to ensure compliance with our competitive bid requirements. That is, we believe it sensible, as the Administrator did, to rely on state and/or local procurement rules and practices for determining compliance with our competitive bid requirements because such rules and practices will generally consider price to be a "primary factor" (as explained *supra*), and select the most cost-effective bid. Thus, consistent with Tennessee's view,<sup>24</sup> and contrary to ISIS 2000's view,<sup>25</sup> we conclude that the Administrator need not make a separate finding of compliance with our competitive bid requirements in this instance. We note that, even in those instances when schools do not have established competitive bid procurement processes, the Administrator generally need not make a separate finding that a school has selected the most cost-effective bid. Such a finding is not generally necessary because a school has an incentive to select the most cost-effective bid, even apart from any procurement requirements, because it must pay its pro rata share of the cost of the services requested.<sup>26</sup> Absent evidence to the contrary in a particular case, we believe that this incentive is

<sup>23</sup> *Universal Service Order*, 12 FCC Rcd at 9029-9030, para. 481.

<sup>24</sup> Tennessee 1999 Opposition at 6.

<sup>25</sup> ISIS 2000 Request for Review at 9.

<sup>26</sup> We found this particularly compelling with regard to pre-existing contracts. See e.g., *Universal Service Order*, 12 FCC Rcd at 9064, para. 547; *Federal-State Joint Board on Universal Service*, Order on Reconsideration, 12 FCC Rcd 10095, 10097 at para. 7 (1997).

generally sufficient to support a conclusion that a school has selected the most cost-effective bid for requested services.

11. In that regard, we note that this record reflects that the procurement process at issue here did consider price as a "primary factor," and required selection of the most cost-effective bid. Specifically, Tennessee law states that procurement regulations "shall require: (1) [t]o the greatest practicable extent, evaluation and consideration of . . . cost in the awarding of the contracts."<sup>27</sup> In addition, Tennessee's request for bids indicated that the contract would be awarded to the most cost effective bidder.<sup>28</sup> We believe all of this supports the conclusion that the procurement process at issue here complies with our competitive bid requirements, and therefore, our competitive bid requirements were met.

12. As to ISIS 2000's narrower complaint that section 54.504 of our rules requires schools to consider only the prediscount price when evaluating the cost component of a bid (assuming a bidding process that evaluates cost in a separate category from other non-cost factors), we note at the outset that, regardless of whether we agree with this interpretation, the record evidence supports Tennessee's and ENA's argument that differences in the service offerings were such that Tennessee could reasonably prefer the ENA service offering over the ISIS 2000 service offering.<sup>29</sup> As such, a comparison of price is not determinative of a cost-effective bid in this case.

13. Moreover, to the extent that ISIS 2000 is suggesting that, when a school evaluates cost in a separate category from other non-cost categories, the school must always award the most points for the cost category to the lowest bidder in order to comply with section 54.504, we cannot agree. While we certainly expect that schools will evaluate the actual dollar amount proposed by a bidder, we do not intend to limit them to considering only the absolute dollar amount proposed such that they must always award the most points in the cost category to the lowest bid. Schools should be free to consider other issues relevant to cost, such as whether the price bid is realistic for the services proposed. While we appreciate ISIS 2000's concern for fiscal responsibility in the schools and libraries universal service program, we note that, as ISIS 2000 itself references,<sup>30</sup> requiring schools to pay their pro rata share of the overall prediscount

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<sup>27</sup> See Tenn Code Ann. § 12-4-109(a)(1)(A)(i).

<sup>28</sup> See generally ISIS 2000 1998 Objection at Attachment E (Portion of State of Tennessee Request for Proposal establishing criteria and weight to be given criteria in awarding contract).

<sup>29</sup> See ISIS 2000 1998 Reply to Consolidated Response at Attachment A, pp. 78-81. See also June 25th Ex Parte Letter.

<sup>30</sup> See e.g., ISIS 2000 Request for Review at 5-6 (noting that, in allowing exemptions from the competitive bid process for certain pre-existing contracts, the Commission found such entities would have "the necessary incentive to select fiscally reasonable arrangements . . . because they would be required to pay their pro-rata share of the overall

price provides some incentive for schools to show fiscal constraint.

14. It appears that ISIS 2000's ultimate complaint in this regard is that Tennessee's criteria for evaluating cost "incentivized bidders to offer the highest pre-discount price."<sup>31</sup> While we need not address this specific concern for the reasons discussed above, we note that ISIS 2000's argument does not work as an absolute.<sup>32</sup> That is, although the actual formula used to evaluate the prices of the bidders resulted in ENA receiving more points than ISIS 2000 in the cost category, even though ISIS 2000's bid was lower than ENA's bid at that point in time,<sup>33</sup> as Tennessee points out, under other circumstances, a lower bid would receive more points.<sup>34</sup> Although the formula used to evaluate cost may have awarded the highest points for cost to bids maximizing federal support, this is not prohibited by our rules.

## **B. Eligibility for Discounts on Services Related to Existing ConnectTEN Components**

### **1. Administrator's Decision**

15. Before the Administrator, ISIS 2000 argued generally that a transaction underlying Tennessee's requests for discounts on its Form 471 application rendered some amount of the requests ineligible.<sup>35</sup> Specifically, in its bid to provide Internet access to Tennessee, ENA

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pre-discount contract price," citing to *Federal-State Joint Board on Universal Service*, Order on Reconsideration, 12 FCC Red 10095 (1997)).

<sup>31</sup> ISIS 2000 Request for Review at 8. The evaluation criteria of cost was expressed as a formula: Total State & Local, Other Funds, Savings, and FCC funds paid to proposer/Total State and Local Funds = cost factor of proposal being evaluated. The proposal with the highest cost factor was awarded the full points available for the cost proposal category. Other proposals were awarded points based on a comparison to the proposal with the highest cost factor. See ISIS 2000 1998 Objection at Attachment E.

<sup>32</sup> Although not dispositive of the issue before us, we note that ISIS 2000 had an opportunity to object to the cost formula used by Tennessee prior to the submission of bids, but did not do so. See ISIS 2000 Reply to Consolidated Response at Attachment A, p. 77. See also *June 25th Ex Parte Letter*.

<sup>33</sup> We note that, during the bid protest process, there was evidence to suggest that the ISIS 2000 bid was insufficient for the services proposed. See ISIS 2000 1998 Reply to Consolidated Response at Attachment A, p. 86; ENA 1999 Opposition at 7. But see ISIS 2000 1999 Reply at 2. We do not, however, make a finding with regard to this point because it is unnecessary to the disposition of the case.

<sup>34</sup> Tennessee 1999 Opposition at 12 (showing that a bid of \$75 could have a bid cost factor of 4.2, while a bid of \$65 could have a bid cost factor of 4.5. Thus, under the formula, the \$65 bid would receive the most points for the cost factor category.).

<sup>35</sup> Schools filing Form 471 applications were required to list each request for discounted services on a separate line on the application. The relevant portion of Tennessee's Form 471 divided its Internet access service into 10 different requests. The first few requests refer to "basic Internet access service," with the remaining-referring to different

46. Although ISIS 2000's request for review states that it seeks "partial" review of the Administrator's decision as it relates to the competitive bid requirements, it also states in a footnote that:

[i]n addition, currently pending before the Commission is ISIS 2000's Request for Expedited Declaratory Ruling, filed April 3, 1998, and subsequent pleadings requesting a declaratory ruling from the Commission with respect to the issues raised by the Department's competitive bidding process and subsequent application for funding. ISIS 2000 requests that these issues be resolved in conjunction with this appeal.<sup>102</sup>

ISIS 2000's initial pleadings, to which this footnote makes reference, raises broader issues than those for which it ultimately seeks review here. As such, it is not entirely clear if this limited reference is intended as a request for broader review. Regardless of that answer, however, we believe that, through Tennessee's and ENA's requests for review, we have essentially addressed all issues raised by ISIS 2000's initial pleadings; namely, whether Tennessee should receive support for costs related to the ConnectTEN network and ENA's upgraded network. Therefore, we find that, because we have addressed these issues herein, ISIS 2000 1998 Objection, and subsequently-filed related pleadings, is rendered moot. We note that ISIS 2000 also originally objected to requests for discounts on technical support for the facilities at issue here. Although not specifically raised in its request for review, we note that the Administrator correctly explained that this technical support will be part of an eligible service to the extent the underlying service is eligible.

#### IV. Conclusion

47. We therefore deny ISIS 2000's request for review regarding Tennessee's compliance with our competitive bidding processes because we conclude that Tennessee indeed complied with those requirements. Moreover, we grant in part, and deny in part, ENA's and Tennessee's requests for review. Specifically, we find that, because Tennessee owned the ConnectTEN network, and subsequently sold it to ENA, who then used it to provide Internet access service to Tennessee, we will not allow discounts with regard to such transaction for the reasons discussed above. In addition, we find that, because ENA has shown that it is providing an end-to-end Internet access service, we will allow discounts on charges for the provision of its Internet access service, including the cost of facilities used to provide such service, except with regard to charges related to the ConnectTEN network.

48. We require the Bureau, through its oversight role, to work with the Administrator and Tennessee to implement this decision. We expect that Tennessee will provide, to the extent

<sup>102</sup> ISIS 2000 Request for Review at 2, n. 1.

necessary, any relevant information to the Administrator regarding charges related to the ConnectTEN network that will allow those charges to be removed from its discount requests. We expect the Bureau to actively monitor these activities to ensure that our decision is implemented expeditiously, and in no case should implementation, by way of an Administrator's Decision Letter, be delayed longer than 10 working days from receipt of the information necessary to be provided by Tennessee to implement our decision. In addition, we wish to make clear that the Bureau may waive any rules if, and, to the extent necessary, to effectuate our decision herein.

#### V. ORDERING CLAUSES

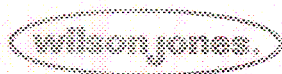
49. Accordingly, IT IS ORDERED that, pursuant to sections 1-4, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and sections 1.3, 54.504, 54.507(f), 54.511, 54.518, and 54.719, 47 C.F.R. §§ 1.3, 54.504, 54.507(f), 54.511, 54.518, and 54.719, the requests for review filed by the Department of Education of the State of Tennessee and Education Networks of America ARE DENIED IN PART and GRANTED IN PART as described *supra*, and the request for review filed by Integrated Systems and Internet Solutions, Inc, IS DENIED as described *supra*.

50. IT IS FURTHER ORDERED that the Objection to Application/Request for Expedited Declaratory Ruling filed by Integrated Systems and Internet Solutions, Inc., IS DISMISSED as moot.

51. IT IS FURTHER ORDERED that the Bureau, through its oversight role, work with the Administrator and Tennessee to implement this decision.

FEDERAL COMMUNICATIONS COMMISSION

Magalie Roman Salas  
Secretary



Citizen Business Government Visitor



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## A VENDOR'S GUIDE: HOW TO DO BUSINESS WITH THE STATE OF WYOMING

**Document #508**

Title: A VENDOR'S GUIDE: HOW TO DO BUSINESS WITH THE STATE OF WYOMING

Description: Information on doing business with the state of Wyoming

### PREFACE

There are five specific purchasing authorities in the state of Wyoming: the Judicial Districts through the state, the Legislative Branch, and the Wyoming Department of Transportation, all located in Cheyenne; the University of Wyoming located in Laramie; and the Department of Administration and Information, Purchasing Section located in Room 323 E, Emerson Building, Cheyenne, WY 82002. Telephone (307) 777-7253.

The principal objective of the purchasing unit is the acquisition of quality goods and services for the many state agencies we represent and to maximize the purchasing value of public funds. This pamphlet contains the information you need in order to do business with the State of Wyoming through the Department of Administration and Information, Purchasing Section.

Purchases are made in accordance with Statutory Regulations through a comprehensive system of specifications, competitive sealed bids and competitive sealed proposals (RFP's). Awards are made to the lowest responsive and responsible bidder, unless criteria other than price are considerations of the award.

### PURCHASING STAFF AND RESPONSIBILITIES

#### PROGRAM MANAGER:

Mac Landen  
(307) 777-6707

#### PURCHASING REPRESENTATIVES:

Angela Morson  
(307) 777-6705  
Office Supplies, Machines and Furniture, Medical Supplies and Equipment,  
Pharmaceuticals

Wyoming Statutes require formal sealed bidding above certain dollar amounts. In those cases, bid packages are prepared and mailed to prospective bidders on our current Bidders' List for the commodities or services required, or advertised when Bid List is not available.

Each bid package contains complete instructions for submission of the bid. These instructions are included in the Call for Bids section of long-form bids and are included as back printing on our short-form bids. Bidders are cautioned to complete all information requested on each proposal form. Bids received without an authorized signature will not be considered. Envelopes are provided for submission of bids. Bidders must insert certain identifying information on the face of each bid envelope as indicated.

In certain cases, Requests for Proposals (RFP's) are issued - usually in the area of contracted services or consulting services.

Bids or RFP's are publicly opened at the time and date specified. Openings are held in Room 323E, Emerson Building, Cheyenne, Wyoming. Bids must be RECEIVED BEFORE the scheduled opening time. No bids will be accepted after that time.

Bid information is publicly available at the time of the bid opening. RFP information is restricted and not publicly available until after the award is made.

After bids are opened, the tabulation and analysis is made by the Purchasing Representative. After consultation with and concurrence from the involved state agency, the award is made by issuance of a Purchase Order or a Service Contract.

In the case of construction awards, the successful bidder must furnish any required forms (insurance, workers' compensation, bonds) as specified in the Bid Conditions before issuance of a contract.

Pre-bid conferences are held in cases where vendor or manufacturer input is desired before the bid package is finalized. Invitations to attend such a conference are issued to prospective bidders.

All bid packages carry the name of the assigned buyer. Questions regarding a bid should be addressed to the attention of the buyer.

## **PAYMENT TO VENDOR**

Initiation of pay documents through the State Auditor's office for vendor payment is the responsibility of the state agency shown as the payor on the Purchase Order.

Partial payments are not normally made. Full payment is initiated after receipt of all items listed on the Purchase Order in the correct quantity, size, grade, or other itemized specifications and also after receipt of a correct itemized invoice for the merchandise involved, in accordance with prices, terms, and conditions as shown on the Purchase Order.



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*Evaluation Criteria and Scoring*  
*RFP – 0409D*  
*TO BE USED ONLY BY EVALUATION PANEL*

**6. Evaluation Criteria**

Based on the information presented by bidders, compliant with the required responses in section 5, the criteria listed below will be used to evaluate all proposals submitted in response to this RFP. If no single proposal clearly receives the highest ranking based on these criteria and the mandatory responses in section 5, the evaluation panel may, at its sole discretion, select one or more finalists and request further clarifying information. The five major headings, 6.1 through 6.5, are listed below from highest priority to lowest for purposes of evaluation. Sub-headings (e.g., 6.1.1, 6.1.2, 6.1.3, *et cetera*...) are not listed in any priority order. *Major headings will be weighted according to the percentages shown in parentheses. Each sub-heading will be given between zero and three points: 3 = clearly complies with requirements; 2 = substantially complies, or appears to comply with minimal restrictions; 1 = marginal compliance, or suspected not to be in compliance; 0 = incomplete response or clearly does not comply.*

**6.1 Functionality (30%)**

**6.1.1 Deliverable technology**

- Technology is available for deployment in Wyoming

**6.1.2 Compatible with existing technologies and facilities**

**6.1.3 A totally integrated system for education and state government**

- Turnkey total package
- Applicable to other existing or future telecommunications needs of the state

**6.1.4 Non proprietary**

- Adheres to industry telecommunications standards for voice, video and data

**6.1.5 Technical Design**

- Redundancy and backup
- Reliability data and redundancy support plan

**6.1.6 Scaleable**

- Capacity can be increased without major equipment/infrastructure replacement

**6.1.7 Upgradeable to future technology**

- Reasonable migration path to next generation technologies

**6.1.8 Flexible service offerings with no penalty for changes**

*Evaluation Criteria and Scoring*

*RFP – 0409D*

*TO BE USED ONLY BY EVALUATION PANEL*

6.2 Pricing (20%)

- 6.2.1 Long-run total costs (one-time plus five year recurring) for proposed system
- 6.2.2 Renewal contract options
- 6.2.3 Long term price protection
- 6.2.4 Innovative price plans

6.3 Vendor Support (20%)

- 6.3.1 Clearly defined vendor and customer responsibilities
- 6.3.2 Clearly defined problem escalation procedures
- 6.3.3 Single vendor contact for service/support
- 6.3.4 Local support in remote locations
- 6.3.5 Vendor presence in Wyoming
- 6.3.6 Long term commitment to doing business in Wyoming
- 6.3.7 Warranty
- 6.3.8 Training provided by vendor

6.4 Vendor Qualifications (15%)

- 6.4.1 Financial resources demonstrating the ability to carry out the project during the contract period
- 6.4.2 Technical expertise demonstrating the ability to carry out the project during the contract period
- 6.4.3 Specific staff resources and their qualifications to carry out the project during the contract period
- 6.4.4 Experience designing, delivering and managing other projects similar in scope and magnitude to this project

*Evaluation Criteria and Scoring*  
*RFP – 0409D*  
*TO BE USED ONLY BY EVALUATION PANEL*

6.5 Project Plan (15%)

- 6.5.1 Responsiveness of the proposal in stating a clear understanding of the requirements
- 6.5.2 Completeness of a step-by-step implementation plan
- 6.5.3 Reasonable and achievable implementation timelines (Project schedule)
- 6.5.4 Project and operational management plan
- 6.5.5 Complete transition plan if existing facilities will be replaced or phased out during the initial contract period

Bidder			
Evaluator			
<b>Section 5 Requirements</b>	<b><u>Mandatory/ Optional</u></b>	<b><u>Score (0-3)</u></b>	<b><u>Comments</u></b>
Type of proposal:			
Expansion			
Replacement			
Combination			
Partnership? (Y/N)			
5.1 Complete solution proposed	M		
5.2 If joint proposal, is prime contractor specified?	M		
5.3 If any software is included, is it certified to be year-2000 compliant?	M		
5.4 Minimum data bandwidth of 56 kb/s? Incremental costs for increased B/W stated? Higher B/W proposed based on size of school?	M		
5.5 Scalable B/W without significant modification or capital outlay? Range of possible B/W expansion stated?	M		
5.6 Access to the Internet proposed?	M		
5.7 Two-way interactive video to each high-school? B/W proposed? Restrictions on number of concurrent conferences?	M		

5.8 Is desktop video proposed?	O		
5.9 Is proposed interactive video capable of being connected to, and operate with, existing regional video consortia?	M		
5.10 Total one-time costs to be borne by the State which are associated with implementing the proposed facilities must be itemized. One-time costs for each year during the three-year implementation schedule discussed in Section 3 must be shown.	M		
5.11 Annual recurring costs until June 30, 2002, which must be borne by the State following installation of the required telecommunications capabilities must be itemized.	M		
5.12 Estimated annual recurring costs which must be borne by the State for the period July 1, 2002, through June 30, 2006, must be itemized. Rationale for the estimates must be stated.	M		
5.13 Proposals must state the estimated one-time and annual recurring costs, through June 30, 2002, which would be the burden of the individual school districts to utilize the proposed system. Rationale for costs given?	M		
5.14 Specific equipment or wiring requirements beyond the NCP which will be required of the individual schools must be stated.	M		

5.15 All equipment to be provided at the NCP by the proposer must be specified.	M		
5.16 Technical specifications (i.e., industry standard interface specifications) for data connectivity, local area network connectivity, and video connectivity (if appropriate) to the NCP within each school building must be stated.	M		
5.17 Responsibilities of the State and requirements placed on the school districts and individual school buildings for ongoing management, operation and maintenance of the proposed facilities must be stated.	M		
5.18 Responsibilities of the vendor for ongoing management, operation and maintenance of the proposed facilities must be stated.	M		
5.19 Proposes a total package which includes maintenance, management and operation of the proposed facilities. The costs for initial implementation, and for management, maintenance and operation must be stated separately.	O		
5.20 Provisions or restrictions of State or federal regulations which could impact implementation, and/or which could affect one-time and long-term costs?	M		
5.21 Universal Service Fund issues. (See test of RFP for complete statement of requirements).	M		

5.22 Proposals must guarantee price protection for the duration of the initial contract period.	M		
5.23 Proposals must guarantee that any price reductions realized by the vendor as a result of implementation of State or federal telecommunications regulations will be passed on to the State during the contract period.	M		
5.24 System reliability expectations, service plan, redundancy and re-routng (See text of RFP for complete statement)	M		
5.25 All travel and lodging expenses associated with warranty and maintenance of the system will be the responsibility of the vendor.	M		
5.26 Warranty of equipment installed must extend one year beyond the initial contract period (i.e., until June 30, 2003).	M		
5.27 Responses must state availability of service assistance which will be provided to assure reliable operation, including problem response time and problem escalation procedures.	M		
5.28 Training and travel issues (See text of RFP for complete statement).	M		



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STATE OF WYOMING  
DEPARTMENT OF ADMINISTRATION AND INFORMATION  
PROCUREMENT SERVICES DIVISION

REQUEST FOR PROPOSAL NO. 0409-D  
SEPTEMBER 30, 1997

TECHNOLOGY IN EDUCATION PROJECT  
FOR  
DEPARTMENT OF EDUCATION

RESPONSES:

POINTS

TAMSCO RESEARCH & MANAGEMENT SYSTEMS, LLC  
2500 LOUISIANA BLVD. SUITE 220  
ALBUQUERQUE, NM 87110

119

TCI  
5619 DTC PARKWAY  
ENGLEWOOD, CO 80111-3000

130

US WEST  
6101 YELLOWSTONE ROAD  
CHEYENNE, WY 82009

155

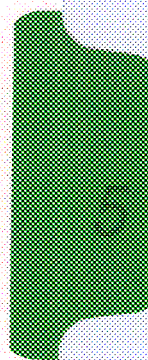
\*\*AWARDED\*\*

DECLINED TO RESPOND: AT&T

ACE ELECTRIC  
TRW INTEGRATED ENGINEERING DIVISION  
WALKER AND ASSOCIATES  
EDUCATION MANAGEMENT GROUP  
LUCENT TECHNOLOGIES  
NORTEL



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<b>Bidder</b>	TCI	
<b>Evaluator</b>	Group	
	<b>Score</b>	
<b>Section 6 Evaluation</b>	<b>(0-3)</b>	<b>Comments</b>
<b>6.1 Functionality (30%)</b>		
6.1.1 Deliverable technology	3	
6.1.2 Compatible with existing technologies and facilities	2	Proposal indicates upgrade of Big Horn Basin equipment...costs??? Didn't address data.
6.1.3 A totally integrated system for education and State government, as applicable	2	Appears to have provisions to integrate other facilities
6.1.4 Non proprietary (adheres to industry standards)	3	
6.1.5 Reliability	2	
6.1.6 Scaleable	2	
6.1.7 Provisions for maintaining compatibility with future technology	2	
6.1.8 Flexible service offerings	1	Reference to cost proposal, which does not address service offerings...only implementation/payment offerings.
6.1.9 Reasonable response times to requests for installation of new services or de-installation of existing services (i.e., moves/adds/changes)	3	Does not give actual response time...only says they will offer "reasonable response times".
	20	6
<b>6.2 Pricing (20%)</b>		
6.2.1 Long-run total costs (one-time plus five year recurring) for proposed system	2	Cost proposal very vague and confusing

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6.2.2 Contract renewal options	2		
6.2.3 Long-term price protection	3		
6.2.4 Lowest price guarantee	3		
6.2.5 Innovative price plans	3	6.2.2 - 6.2.5 references cost proposal, which does not address any of these items.	
6.2.6 Schedule of additional costs and deductions for service changes	0	Nothing presented	
	13		2.6
<b>6.3 Vendor Support (20%)</b>			
6.3.1 Clearly defined vendor and customer responsibilities	3		
6.3.2 Clearly defined problem escalation procedures	3		
6.3.3 Single vendor contact for service/support (i.e., one prime contractor)	3		
6.3.4 Timely support in all Wyoming locations	3		
6.3.5 Vendor presence in Wyoming	3		
6.3.6 Long-term commitment to doing business in Wyoming	3		
6.3.7 Training provided by vendor, if applicable	2		
	20		4
<b>6.4 Vendor Qualifications (15%)</b>			

6.4.1 Financial resources demonstrating the ability to carry out the project during the contract period	3		
6.4.2 Technical expertise demonstrating the ability to carry out the project during the contract period	2	Where is expertise?	
6.4.3 Specific staff resources and their qualifications to carry out the project during the contract period	2	Although they list senior management who would not be involved with day-to-day implementation/operation.	
6.4.4 Experience designing, delivering and managing other projects similar in scope and magnitude to this project	2	Nothing referenced for education, but plenty of big government/industry experience	
	9		1.35
<b>6.5 Project Plan (15%)</b>			
6.5.1 Responsiveness of the proposal in stating a clear understanding of the requirements	2	Seem interested in providing "enhancements". Not clear whether they understand the data requirements	
6.5.2 Completeness of a step-by-step implementation plan	3	Pretty generic project implementation chart...	
6.5.3 Project and operational management plan, including regular status reporting during implementation	2	Probably OK, but they don't indicate any specific reporting or timelines	
6.5.4 Complete transition plan if existing facilities will be replaced or phased out during the initial contract period	0	Not applicable	
	7		1.05
	69		15

Bidder	USWest	
Evaluator	Group	
<u>Section 6 Evaluation</u>	<u>Score</u> <u>(0-3)</u>	<u>Comments</u>
<b>6.1 Functionality (30%)</b>		
6.1.1 Deliverable technology	3	
6.1.2 Compatible with existing technologies and facilities	3	
6.1.3 A totally integrated system for education and State government, as applicable	2	
6.1.4 Non proprietary (adheres to industry standards)	3	
6.1.5 Reliability	3	Need clarification in the contract
6.1.6 Scaleable	3	
6.1.7 Provisions for maintaining compatibility with future technology	3	
6.1.8 Flexible service offerings	3	
6.1.9 Reasonable response times to requests for installation of new services or de-installation of existing services (i.e., moves/adds/changes)	3	
	26	7.8
<b>6.2 Pricing (20%)</b>		
6.2.1 Long-run total costs (one-time plus five year recurring) for proposed system	3	

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6.2.2 Contract renewal options	3	
6.2.3 Long-term price protection	3	
6.2.4 Lowest price guarantee	3	
6.2.5 Innovative price plans	2	
6.2.6 Schedule of additional costs and deductions for service changes	3	
	17	3.4
<b>6.3 Vendor Support (20%)</b>		
6.3.1 Clearly defined vendor and customer responsibilities	3	
6.3.2 Clearly defined problem escalation procedures	3	
6.3.3 Single vendor contact for service/support (i.e., one prime contractor)	3	Intra LATA? Independent territories?
6.3.4 Timely support in all Wyoming locations	3	
6.3.5 Vendor presence in Wyoming	3	
6.3.6 Long-term commitment to doing business in Wyoming	3	
6.3.7 Training provided by vendor, if applicable	3	
	21	4.2
<b>6.4 Vendor Qualifications (15%)</b>		

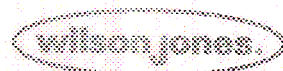
6.4.1 Financial resources demonstrating the ability to carry out the project during the contract period	3	
6.4.2 Technical expertise demonstrating the ability to carry out the project during the contract period	3	Staff & qualifications? Local support?
6.4.3 Specific staff resources and their qualifications to carry out the project during the contract period	3	Staff resources? Local?
6.4.4 Experience designing, delivering and managing other projects similar in scope and magnitude to this project	3	
	12	1.8
<b>6.5 Project Plan (15%)</b>		
6.5.1 Responsiveness of the proposal in stating a clear understanding of the requirements	3	
6.5.2 Completeness of a step-by-step implementation plan	3	
6.5.3 Project and operational management plan, including regular status reporting during implementation	3	
6.5.4 Complete transition plan if existing facilities will be replaced or phased out during the initial contract period	3	
	9	1.35
	85	18.55

Bidder	TAMSCO	
Evaluator	Group	
	<u>Score</u>	
<u>Section 6 Evaluation</u>	<u>(0-3)</u>	<u>Comments</u>
<b>6.1 Functionality (30%)</b>		
6.1.1 Deliverable technology	3	
6.1.2 Compatible with existing technologies and facilities	2	How does it interface
6.1.3 A totally integrated system for education and State government, as applicable	1	Appears to have provisions to integrate other facilities, but not integrated.
6.1.4 Non proprietary (adheres to industry standards)	3	
6.1.5 Reliability	2	Concern about many parts of system.
6.1.6 Scaleable	2	Only with more expense?
6.1.7 Provisions for maintaining compatibility with future technology	2	
6.1.8 Flexible service offerings	3	
6.1.9 Reasonable response times to requests for installation of new services or de-installation of existing services (i.e., moves/adds/changes)	3	
	21	6.3
<b>6.2 Pricing (20%)</b>		
6.2.1 Long-run total costs (one-time plus five year recurring) for proposed system	1	Is cost for existing network included?

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6.2.2 Contract renewal options	2	
6.2.3 Long-term price protection	3	
6.2.4 Lowest price guarantee	3	
6.2.5 Innovative price plans	1	Only one Plan given...need to innovate
6.2.6 Schedule of additional costs and deductions for service changes	3	Given in 5.5
	13	2.6
<b>6.3 Vendor Support (20%)</b>		
6.3.1 Clearly defined vendor and customer responsibilities	1	
6.3.2 Clearly defined problem escalation procedures	1	
6.3.3 Single vendor contact for service/support (i.e., one prime contractor)	3	
6.3.4 Timely support in all Wyoming locations	1	
6.3.5 Vendor presence in Wyoming	1	
6.3.6 Long-term commitment to doing business in Wyoming	2	
6.3.7 Training provided by vendor, if applicable	3	
	12	2.4
<b>6.4 Vendor Qualifications (15%)</b>		

6.4.1 Financial resources demonstrating the ability to carry out the project during the contract period	1		
6.4.2 Technical expertise demonstrating the ability to carry out the project during the contract period	2	Where is expertise?	
6.4.3 Specific staff resources and their qualifications to carry out the project during the contract period	2	Although they list senior management who would not be involved with day-to-day implementation/operation.	
6.4.4 Experience designing, delivering and managing other projects similar in scope and magnitude to this project	2	Nothing referenced for education, but plenty of big government/industry experience	
	7		1.05
<b>6.5 Project Plan (15%)</b>			
6.5.1 Responsiveness of the proposal in stating a clear understanding of the requirements	1	Not clear	
6.5.2 Completeness of a step-by-step implementation plan	2	Backbone?	
6.5.3 Project and operational management plan, including regular status reporting during implementation	2	Talk about operational management Plan. USF Manager?	
6.5.4 Complete transition plan if existing facilities will be replaced or phased out during the initial contract period	1	Existing network not well detailed.	
	5		0.75
	58		13.1



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**ATTACHMENT A TO PROPOSAL PRICE SHEET  
COST PROPOSAL**

	ONE TIME CAPITAL	NRC CHG	MRC 1999	MRC 2000	MRC 2001	MRC 2002	MRC 2003	MRC 2004	MRC 2005	MRC 2006
<b>OPTION 1</b>										
	\$23,168,859	\$91,687	\$354,940	\$354,940	\$354,940	\$364,620	\$375,559	\$386,826	\$398,431	\$410,384
ANNUAL			\$4,259,284	\$4,259,284	\$4,259,284	\$4,375,446	\$4,506,709	\$4,641,911	\$4,781,168	\$4,924,603
PAY THE ONE TIME CAPITAL FOR ALL EQUIPMENT AND PAY MRC FOR THIRD PARTY TERMINATION.										
<b>OPTION 2</b>										
	\$6,000,000	\$91,687	\$850,864	\$850,864	\$850,864	\$364,620	\$375,559	\$386,826	\$398,431	\$410,384
ANNUAL			\$10,210,365	\$10,210,365	\$10,210,365	\$4,375,446	\$4,506,709	\$4,641,911	\$4,781,168	\$4,924,603
PAY \$6,000,000 ONE TIME CAPITAL AND PAY THE REMAINING CAPITAL OVER THE NEXT THREE YEARS, PLUS THIRD PARTY TERMINATION.										
<b>OPTION 3</b>										
	\$6,000,000	\$91,687	\$828,364	\$828,364	\$828,364	\$364,620	\$375,559	\$386,826	\$398,431	\$410,384
ANNUAL			\$9,940,365	\$9,940,365	\$9,940,365	\$4,375,446	\$4,506,709	\$4,641,911	\$4,781,168	\$4,924,603
PAY \$6,000,000 ONE TIME CAPITAL AND PAY THE REMAINING CAPITAL OVER THE NEXT THREE YEARS PLUS THIRD PARTY TERMINATION. WTCI RETAIL SALES GROUP CONTRACTS WITH THE STATE FOR SOME BACKBONE MAINTENANCE.										
<b>OPTION 4</b>										
	\$35,120,676	\$99,000	\$0	\$0	\$0	\$364,620	\$375,559	\$386,826	\$398,431	\$410,384
ANNUAL			\$0	\$0	\$0	\$4,375,446	\$4,506,709	\$4,641,911	\$4,781,168	\$4,924,603
THE STATE FUNDS ALL MONEY UP FRONT WITH NO MONTHLY CHARGES FOR THREE YEARS.										
<b>OPTION 5</b>										
	\$13,931,162	\$168,000	\$451,356	\$451,356	\$451,356	\$464,897	\$478,844	\$493,209	\$508,005	\$523,246
ANNUAL			\$5,416,274	\$5,416,274	\$5,416,274	\$5,578,762	\$5,746,125	\$5,918,509	\$6,096,064	\$6,278,946
PAY ONE TIME CAPITAL AND MRC BUT WTCI RETAIL SALES GROUP DOES NOT BUILD ANY NEW NETWORK FOR FUTURE USE. THIS OPTION USES MORE THIRD PARTY.										

The items shown below are recommended, but are not included in the foregoing pricing:

(Capital: \$1,790,320)

1. Existing Video Conference Unit Upgrades
2. Video Conference Unit Replacement
3. ATM Edge Switch, Cheyenne/Laramie
4. Cisco 7204 Routers, 9 locations
5. Content 10 Programs Minimum (Powell Technologies)

*6.1.9 Reasonable response times to requests for installation of new services or de-installation of existing services (i.e., moves/adds/changes)*

Depending on the exact type of installation or de-installation requested by the State, and subject to the availability of requested equipment, TAMSCO Systems guarantees a new services or de-installation response time of not greater than two business weeks.

*6.2 Pricing*

*6.2.1 Long-run total costs (one-time, plus recurring to June 30, 2002, plus estimated recurring to June 30, 2006) for proposed system*

Estimated one-time hardware costs	\$ 7,782,691
Estimated annual recurring costs to June 30, 2002	\$ 3,998,264
Estimated annual recurring costs July 1, 2002 to June 30, 2006, including optional service contract extension (see below and response to 5.12)	\$ 4,398,090

*6.2.2 Contract renewal options*

TAMSCO Systems offers an option to renew the operating, management and service contract for one (1) year at a time after the initial expiration date at an estimated cost of \$ 4,398,090 per year, from July 1, 2002, through June 30, 2006.

*6.2.3 Long-term price protection*

TAMSCO Systems guarantees the prices, as reflected in item 6.2.1, supra, for the initial term of the contract.

*6.2.4 Lowest price guarantee*

TAMSCO Systems represents that the price provided in this proposal is the lowest it will provide for like, or similar, systems or services to other customers.

*6.2.5 Innovative price plans*

TAMSCO Systems cannot, at this time, offer a more innovative price plan. If the State determines that the proposed technical solution and the specific pricing offered herein is acceptable, and should

## CPE & Maintenance

- ☐ It was not possible to determine the amount of equipment in the schools currently which is compatible with this design. No costs have been deducted from the total CPE requirements for equipment which is currently owned and reusable with this proposal.
- ☐ Cost projections for the 1998-1999 implementation timeframe have been assumed at 1/12 per month in response to projecting the costs on a year-by-year basis. Actual costs will be charged as CPE is placed in service.
- ☐ CPE maintenance costs will be pro-rated for the first year under a phased-in implementation. CPE placed in July 1998 will be payable in July for one year in advance. CPE placed in August will be pro-rated for 11/12 of the annual cost, CPE placed in September will be pro-rated for 10/12 of the annual cost, etc. Maintenance in July 1999, July 2000, July 2001, and July 2002 will be annual costs due in advance.

## Managed Data Services

- ☐ Managed Data Services are proposed as an integral part of the total solution offered by USWCS. The State is asked to consider a commitment for MDS in support of this education technology network for the duration of the services contract (5 years).
- ☐ Cost projections for the 1998-1999 implementation timeframe have been assumed at 1/12 per month in response to projecting the costs on a year-by-year basis. Actual costs will be charged as network services are implemented and CPE is placed in service.

## Responses to Required RFP Items

5.10 Total one-time costs to be borne by the State which are associated with implementing the proposed facilities must be itemized. One-time costs for each year during the three-year implementation schedule discussed in Section 3 must be shown.

### Response: Total One-Time Costs

Following are the one-time costs associated with the education technology network proposed herein. As previously stated, all one-time costs for the proposed network and CPE installation are projected to be expended in the first year of implementation, July 1998 through June 1999, due to the integrated functionality of the ATM-CRS service. An itemized breakdown for these one-time costs by product, school district, and school building-level detail are provided in Appendix I.

Service Element	Total One-time Cost
Frame Relay Service Installation	\$153,174
ATM Service Installation	\$127,342
Customer Premises Equipment (CPE) & Installation	\$1,607,537
Managed Data Service Installation	\$68,473
INTERACT™ Internet Service Installation	\$6,050
<b>OVERALL TOTAL ONE-TIME COSTS</b>	<b>\$1,961,890</b>

5.11 Annual recurring costs until June 30, 2002, which must be borne by the State following installation of the required telecommunications capabilities must be itemized.

**Response: Annual Recurring Costs**

USWCS is proposing a five-year services agreement for this network design based on the capital investment being made to deploy the infrastructure requirements. In keeping with this five-year proposal, annual recurring costs are projected from July 1998 through June 2003. As stated previously in the assumptions made in the overview of this section, recurring network services have been assumed to be installed beginning July 1998 and completed by June 1999. Cost projections for the 1998-1999 implementation timeframe have been assumed at an accumulated 1/12 per month in response to projecting the costs on a year-by-year basis. Actual costs will be charged as network services are installed. The contractual obligation for all recurring costs will be fulfilled on June 30, 2003 on a co-terminous basis.

Following are the recurring costs associated with the education technology network proposed herein. An itemized breakdown for these recurring costs by product, school district, and school building-level detail are provided in Appendix I.

Element	Annual Recurring Cost
July 1, 1998 through June 30, 1999	\$1,690,618
July 1, 1999 through June 30, 2000	\$3,121,141
July 1, 2000 through June 30, 2001	\$3,121,141
July 1, 2001 through June 30, 2002	\$3,121,141
July 1, 2002 through June 30, 2003	\$3,121,141

5.12 Estimated annual recurring costs which must be borne by the State for the period July 1, 2002, through June 30, 2006, must be itemized. Rationale for the estimates must be stated.

**Response: Annual Recurring Costs**

USWCS is proposing a five-year services agreement for this network design based on the capital investment being made to deploy the infrastructure requirements. In keeping with this five-year proposal, annual recurring costs for the period July 1, 2002 through June 30, 2003 have been provided in item 5.11 above. Cost projections for the 2003-2006 timeframe are listed below. A 3-year renewal option is being proposed which will require both parties' approval at the end of the initial contract period. If the renewal option is exercised, services will be provided at the costs stated herein through June 30, 2006.

The rationale for pricing these services has been to factor in an inflation rate from current costs.

An itemized breakdown for these recurring costs by product, school district, and school building-level detail are provided in Appendix I.

# State of Wyoming

Element	Annual Recurring Cost
July 1, 2003 through June 30, 2004	\$3,375,964
July 1, 2004 through June 30, 2005	\$3,387,146
July 1, 2005 through June 30, 2006	\$3,398,663

## CPE Leasing Options

USWCS is providing a leasing option for the State of Wyoming should they elect not to purchase the required CPE outright. The State is under no obligation to selection this option—it is being provided solely for comparison purposes. If the State currently has an established arrangement with a leasing company which is more advantageous than these proposed rates, the State may choose an alternate lease arrangement.

The below rates are valid for thirty (30) days from the date of September 23, 1997 and subject to credit review and documentation acceptable to all parties. Subsequent to that time, if equal maturity U S Treasury Obligations rise more than 25 basis points, the right is reserved to adjust lease payments proportionately. These payments are based on a CPE purchase amount of \$1,607,537 and \$30,155 per month for CPE Maintenance.

	Term	Interest Rate	Monthly Payment	Lease Factor
Without Maintenance	36 mos.	5.80%	\$49,335.31	0.03069
With Maintenance	36 mos.	5.80%	\$82,651.76	0.03069
Without Maintenance	60 mos.	5.84%	\$30,816.48	0.01917
With Maintenance	60 mos.	5.84%	\$65,500.77	0.01917

incentives to "adopt-a-classroom." USWCS Wyoming Vice President, Stan Bader, was recently appointed by Governor Geringer to serve on a panel for industry advisors for planning Wyoming "Net Day" activities.

In summary, USWC of Wyoming has the following number of employees, property tax debt, contributions to non-profit organizations, and capital investments as evidenced by these current 1996 statistics.

Employees in Wyoming: 415

Property Taxes paid in Wyoming: \$2,200,000

U S WEST Foundation Contributions in Wyoming: \$219,000

Capital Investment in Wyoming: \$62,000,000

### Independent Local Exchange Carriers

USWCS has a long-standing relationship with the eleven Wyoming Independent Local Exchange Carriers (ILECs). We work in unison to provide Wyoming customers with telecommunications products and services. Following is a brief summary describing these suppliers who are committed to providing quality services to schools in their respective communities.

Local Exchange Providers with a presence in Wyoming who have provided illustrative pricing for inclusion in this response include the following:

- ☐ All West Communications
- ☐ Chugwater Telephone Company
- ☐ Dubois Telephone Exchange, Inc.
- ☐ PTI Communications,
- ☐ RT Communications, Inc.
- ☐ Range Telephone Cooperative, Inc.
- ☐ Silver Star Telephone Company
- ☐ Sprint Corporation
- ☐ Tri County Telephone Association, Inc.
- ☐ TCT WEST, Inc.
- ☐ Union Telephone Company

RT Communications was established in 1994 as a subsidiary of Range Telephone Cooperative, Inc., with headquarters in Worland. It currently has fifty (50) employees and approximately 15,000 customers. It is an Independent Telephone Company with subscribers in 16 rural exchanges throughout Wyoming, sections of Montana, Nebraska, and South Dakota. Wyoming exchanges include Albin, Burns, Carpenter, Gas Hills, Hulett, Jeffrey City, Kaycee, Midwest, Moorcroft, Newcastle, Osage, Pine Bluffs, Shoshoni, Thermopolis, Upton, and Worland.

RT has upgraded 13 exchanges to new NORTEL DMS 10 digital switches since 1994 and plans to upgrade the three remaining in the near future. It

has invested in optional software for voicemail, switched 56 and other special services. RT has also placed over 500 miles of fiber optic cable and several digital loop subscriber carriers in its network.

Most analog carriers in the majority of exchanges have been replaced with digital carriers.

RT holds PCS licenses for Casper, Cheyenne, and Riverton and is in the development stages of this PCS network, as well as adding ISDN to its DMS 10 switches.

Besides local access, RT provides the following: Centrex, voicemail, private line services, E911, custom calling and CLASS services, internet service, and key systems.

**Silver Star Communications**, which operates in the lower Star Valley area of western Wyoming, is an independent company owned by the Hoopes family; Melvin and Ardell Hoopes purchased Silver Star in 1956. It currently services 2,700 access lines and covers 2,107 square miles of service area. Silver Star has twenty-five (25) full-time employees and two (2) part-time employees.

Silver Star provides a management services contract to a sister company, Teton Telcom, who employs nine (9) people and provides service to 3,100 access line subscribers.

Silver Star currently provides service to Metcalf and Holdaway Elementary Schools located in Star Valley. These schools are being serviced by fiber optic cable and a digital switch. Teton Telcom currently serves the Alta School.

Silver Star's goal is to provide the best quality of telecommunications service available in the intermountain west and aims to be a leader in the industry. It has focused on being a communications and service provider who understands its customer's needs.

**Sprint Corporation's Local Telecommunications Division (LTD)**, formerly United Telephone Company of the West, provides local telephone service to more than seven (7) million subscriber lines in 19 states, including the eastern Wyoming communities of Torrington, Guernsey, LaGrange, and Lingle.

Sprint LTD--Western Operations for Nebraska and Wyoming provides services in 17 exchanges with an average of 2,035 lines per exchange. Its Western Operations has invested more than \$6 billion in equipment and facilities; digital technology has been the cornerstone of its modernization, and today, more than 95 percent of its access lines are digital.

**Union Telephone Company** provides telecommunications services in several Wyoming locations: Rock River, Encampment, Elk Mountain, Hanna, Saratoga, Shirley Basin, LaBarge, Burnt Forke, Lonetree, Lyman, Manila, Urie, and it's headquarters location, Mountain View.

It has a long history of providing superior service to its customers in Wyoming; it was incorporated in 1914 and three generations of the founding family are still active in the business. The tradition of providing

outstanding service to Wyoming continues today with its digital switches and advanced CLASS services.

In addition to local exchange-type services, Union is also a cellular provider in much of the State, as well as internet and long distance services, basic cable TV, equipment rental, and answering service.

PTI, Pacific Telecom, Inc., is the telecommunications arm of PacifiCorp which grew from two small phone companies in Lebanon, Oregon and Kalispell to the fifth largest non-Bell system communications provider in America. It has carved its place by providing telecommunications services to rural and suburban areas in 12 states.

In Wyoming, PTI serves Big Piney, Boulder, Daniel, Farson, Marbleton, Medicine Bow, and Pinedale.

Dubois Telephone Exchange is a full service communications provider located in the Upper Wind River country in Dubois. Dubois Telephone also serves customers in the Crowheart area of Fremont County and the Little Snake River Valley communities of Baggs, Dixon and Savery, Wyoming.

Dubois Telephone Exchange provides digital telecommunications, local dial tone, a full range of custom calling features, Centrex and PBX systems, and specialized communications system design and installation in its serving territory.

All West Communications is the parent company of the following subsidiaries: All West/Utah, All West/Oregon, All West/Marketing, All West/Idaho, All West/Washington, and All West/WorldConnect. In Wyoming, it provides local service to Cokeville and Sage and internet access to Evanston.

Range Communications provides local service in Wyoming to Arvada, Clearmont, Decker, southeast Sheridan, Sundance, Ucross, and Ulm.

TCT West is the local exchange carrier for Cowley, Frannie, Deaver, Lovell, Greybull, Manderson, Basin, Byron, and Meeteetse, while Tri County Telephone Association continues to provide services to Hyattville, Burlington, and Ten Sleep.

Chugwater Telephone Company is the service provider for the Chugwater Community with a digital switch and fiber optic availability.

#### 6.3.6 Long-term commitment to doing business in Wyoming

##### → Response:

The information provided above in response to item 6.3.5 as well as the over one hundred year history of this corporation in Wyoming demonstrate U S WEST's long-term commitment to Wyoming citizens, government and businesses. From muttering machines to laser beams, U S WEST, known by several names and varied structures, has been a part of the living history of Wyoming and much of its surrounding western



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*Penelope J. Minter*

November 17, 1997

The Honorable Jim Geringer  
Governor of Wyoming  
Capitol Building  
Cheyenne, WY 82002

Dear Governor Geringer:

The Education Technology RFP Committee unanimously recommends that US West Communications, Inc. be given a "letter of intent to award" for its response to RFP No. 0409-D Technology in Education Project. US West's response met all of the criteria set down in the RFP and was innovative in its approach; recommending state-of-the-art technology that will meet current and future needs of education at all levels, along with the needs of communities in the areas of tele-medicine and economic development technology issues. Accepting US West's proposal will benefit the whole state, including those served by the Independent Telephone Companies as US West partners. The US West proposal followed the guidelines of the Wyoming Education Technology Plan and indicated a clear understanding of the Request for Proposal laid out by the committee. US West's proposal highlighted a regional approach and clearly will move Wyoming to the forefront in the US West territory for widespread deployment of Asynchronous Transfer Mode-Cell Relay (ATM-CR). In addition to meeting all the criteria and receiving the highest assignment of points, US West Communications, Inc. also was the lowest cost of the proposals submitted.

The committee's recommendation is to award a "letter of intent to award" to US West Communications and notify Western Telecommunications, Inc. and TAMSCO of this intent.

As soon as this is publicly announced, contract negotiations should begin, dependent upon an appropriate level of funding through the legislature.

Respectively submitted,

Linda Carter  
Chairperson for the RFP Committee